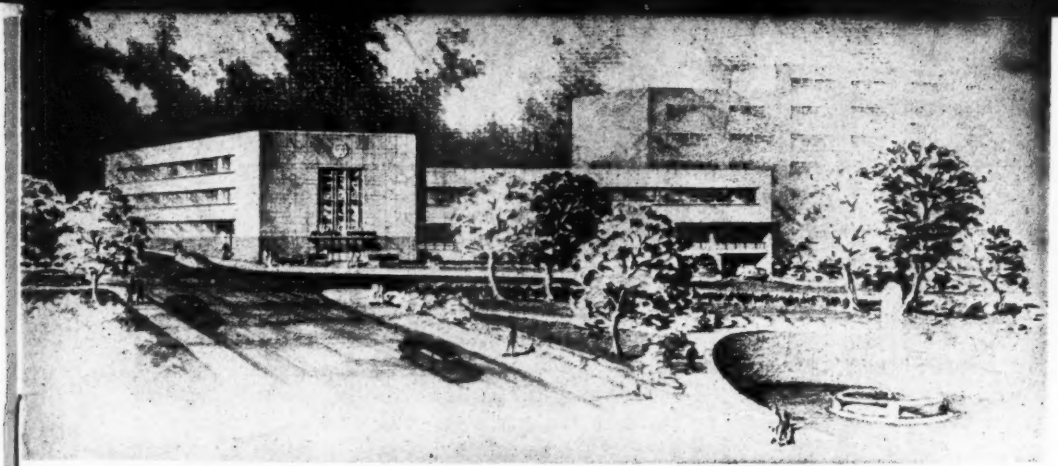

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Organizational Climate In Industry

By

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(With Assistance from Langston T. Hawley)

Introduction

If the social scientist's vocation could be viewed in terms of some principal task, this task would certainly be one which calls for systematic observation of the ordinary features of man's social activities. While this view would oversimplify the problems of scientifically observing social behavior, it would tend to point to an interesting relationship between the social scientist's observations and those that everyone makes from time to time.

Man, after all, is a curious and reflective cuss, who spends much of his time forming opinions about his fellows, about social situations, and about life in general. The perceptions which contribute to these opinions (and other kinds of viewpoints, to be sure) are not so intuitive that he cannot communicate them verbally to himself in the privacy of his own thoughts or to others in the form of gossip, report, revelation, and other varieties of conversation. This communication leads to the development and utilization of much terminology, often highly descriptive, which, in time, may become popularly understood.

Likewise, the social scientist develops and utilizes terminology to communicate his observations to his fellows. A primary difference between the social scientist's and the layman's report of observations may be highlighted by considering examples of their respective terminologies.

Common parlance might designate psychological disturbance or maladjustment by using such phrases as "off his rocker," "screwie," or "crazy, mixed-up kid." The social scientist, after observing precisely the same psychological imbalances, might label them as one of the several forms of neurotic or psychotic behavior. Perhaps he may determine that the particular behavior merely appears to the casual observer to be emotionally-toned, but actually it is a conventional way of behaving for members of certain minority groups, sects, or other little-understood people of our society.

Rather than dismissing seemingly bizarre behavior with a wave of the hand and the suggestion that there must be something wrong with the observed person if his actions do not appear at first glance to make sense, the social scientist chooses a more painstaking, but also more fruitful, course of interpretation. This course leads him to attempt to find out something about the nature, the causes, and the manifestations of observed behavior patterns, no matter how ordinary or how exotic, and no matter how beautiful or how ugly. Needless to point out, the amount of self-discipline involved in this kind of dispassionate observation and interpretation reaches almost h e r o i c proportions at times, as in the case of the anthropologist who studies pre-literate societies, or the psychologist who studies the mentally deranged, or the sociologist who studies ecstatic religious sects.

Like any other specialist, the social scientist has an advantage over the layman because of superior tools, equipment, and training. Because his specialty lies primarily in the area of every-day, garden-variety social behavior, which everyone else participates in and observes to some extent, the social scientist's tools are largely conceptual—or terminological. By learning how to develop and employ concepts in a systematic way, a way which tends to reduce to a minimum the biases and other human failings of an observer of human behavior, the social scientist finds it possible to perceive and define

* Dr. Gold is an assistant professor of sociology and Dr. Hawley is a professor of management, both at the University of Alabama. Much of this article is based upon a study of "Human Factors in Aircraft Maintenance Work Units," a study recently completed for the Air Force by Dr. Gold, Dr. Hawley, and Dr. Benjamin G. Rosenburg. The study was done under the auspices of the Committee on Human Relations of the University of Alabama. Dr. Rosenburg was a psychologist at the University of Alabama.

social phenomena in integrated ways which common sense and personal opinion alone fail to do.

The subject matter of this paper, organizational climate in industry, is one of those terms which carries numerous popular designations, popular in the sense of lay designations. It might be convenient if, in this introduction, we would set forth a neat definition of organizational climate and accompany it with indcations of its importance to business executives and others. However, even a provisional definition might be too gross an oversimplification. Accordingly, it is our plan to avoid premature declarations by allowing the definition to u n f o l d throughout the entire report.

Yet, it behooves us to point out at the beginning that we are offering not merely an abstract conceptualization of the kind of place Plant A is as distinguished from Plant B. Knowledge of organizational climate in industry is a pragmatic must for the business executive, since such knowledge permits more effective decision-making with respect to profits, production, labor peace—and, indeed, the ability of management to relate itself to social progress. "Is Plant A a good place in which to work?" If so, why? If not, why not? The answer to a basic question of this kind requires knowledge of the plant's work atmosphere, its organizational climate.

Why does the social scientist claim to be able to study organizational climate more comprehensively than anyone else can do with just good common sense? The primary answer is simply that the social scientist, by virtue of his training as a disinterested and systematic observer, can give management broad, yet precise, answers to the problematic questions management raises about organization.

This report attempts to show nothing startlingly new about industrial organization, for every business executive deals daily with the problem of understanding and doing something about organizational climate. Rather, it is our aim to point out a worthwhile mode of thinking about the "big picture" of an industrial plant, a mode which utilizes a systematic and integrated approach to understanding basic problems of human organization.

The next section of the report briefly considers some aspects of the essential character of organizational climate. Following this is a section devoted to illustrating how organizational climate in industry may be perceived and understood. These illustrations compare and contrast three industrial plants. Finally, in the last section, we point out some theoretical and pragmatic implications of the concept, organizational climate.

The Nature of Organizational Climate

Everyone who is at all perceptive or reflective has, on an intuitive level, at least some impression, some overall impression, of any organization or community he visits. On this level, people usually describe the organization or community in terms which clearly reveal the intuitive nature of their impression. Accordingly, people often talk about the "feel" of the place. In such an instance, a person reporting his impression reveals that he has an overall perception which he is attempting to describe.

Through perception of this kind, one may get the feeling that the place is good or bad, dynamic or static; that its people are friendly or hostile; that its objectives are worthwhile or worthless— and so on. One somehow perceives generalized characteristics which serve as bases for depicting the group's atmosphere. The feel of the place, or the atmosphere of the group, is a descriptive phrase suggesting that a dominant theme, or set of themes, characterizes an organized group of people and the situations they seem recurringly to enter. All of us report and hear about characterizations of this sort in everyday conversation. And all of us are capable of attaining some meaningful level of understanding in what we say and hear.

Correspondingly, when we direct attention to organizational climate in industry, we will deal with the same things that people discuss when asking each other questions like, "What kind of place is Plant A?," or "How do you like working in Plant

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B?," or "How has the atmosphere at Plant C changed since the new manager took over?" The point of view taken by the social scientist when addressing himself to such questions represents his attempt to achieve a sophisticated approach to the study of "the feel of the place." Therefore, organizational climate, in industry or elsewhere, becomes more than a common sense notion when "the feel of the place" is subjected to systematic observation, classification, and conceptualization.

Organizational climate may be conceived as a patterning of a group's way of life, which members of the group tend to express in their day-to-day conduct. If, for example, a visitor decides that Los Angeles, enormous as it is, is really more of an "overgrown hick town" than a "truly big city," he may have in mind a certain lack of urban blaseness, coupled with considerable small-town folksiness, which residents of that city appear to exemplify. He may go so far as to contrast Los Angeles with San Francisco, which is smaller in size, but which strikes him as being more "stimulating," "enchanting," "cosmopolitan," or whatever terms he chooses to depict the *typical* behavior of the residents he has observed.

The patterning of the group's way of life is what one reports when trying to cite the most typical ways in which members of the group act, think, and feel. To the social scientist, this patterning typifies the ways in which members of the group engage each other in social interaction on a day-to-day basis. And the term, social interaction, refers simply to the way people say and do things while taking each other into account. Thus, the human (or social) organization of a group, even one as large as a metropolis, may be depicted in terms of the most typical patterns of social interaction that can be observed. This depiction, of course, turns out to be a thumbnail representation of organizational climate.

To some extent, the members can recognize dominant behavior patterns of their organization, for people are inclined to be observers of their own behavior. To the members, the patterns tend to assume the nature of an external set of forces, forces which embody the collective ways of thinking and doing in their organization. Because of this nature, the members give collective sanction to informal, as well as formal, "rules of the organizational game," in essentially the same sense that members of a society achieve consensus with respect to the customs and values comprising their way of life. As a result, the dominant behavior patterns of an organization—organizational climate—appear to influence the behavior of its members.

This influence is not, by any means, a cause-effect relationship in which the climate absolutely determines individual and collective behavior. Nevertheless, from the standpoint of the members, it is a felt influence, and is therefore noteworthy. Thus, organizational climate not only typifies the behavior of a group of people, but also influences their behavior through their recognition of the collective meanings attached to the numerous activities they are organized to perform.

The Study of Organizational Climate in Industry

To this point, we have been trying to show that the concept, organizational climate, represents neither an esoteric social science abstraction nor a metaphysical explanation of human behavior in a group setting. Rather, we have sought to suggest that the concept represents the generalized, collective character of groups in more integrated and precise form than common sense alone can yield. Finally, we have noted that organizational climate serves to typify dominant ways of thinking and doing in a group, while at once it tends to influence behavior of the members through their recognition of the distinctiveness of *their* group's ways.

It appears appropriate now to turn attention to the means by which the social scientist achieves precision in his efforts to make systematic and dispassionate observations of organizational climate. We will therefore discuss the observational criteria which guide systematic collection of information on organizational climate, and follow this with a discussion of the conceptual criteria which aid in synthesizing the information into an interpretive picture of an organization.

For purposes of securing information about organizational climate, through interviews and direct observation, an industrial plant may be described according to three categories of features: physical environment, social environment, and work environment.

Included in description of the physical environment are such features as topography, prevailing weather, layout of building or buildings, adequacy of buildings—both from the standpoint of the observer and of the occupants, living facilities near the plant, and availability of recreation facilities in and around the plant.

A description of features of the social environment includes social attitudes and behavior of personnel toward objects in the physical environment and toward each other as fellow workers in this physical context; physical appearance of personnel, including the way they dress; kinds of informal clique formations and relationships on and off the job; pace of activities; and degree of sophistication or broadness of social perspective.

Description of work environment includes such features as comparison of attitudes and values of personnel among the several departments of the plant, from the production line to front office; degree of co-ordination achieved within and among

FEBRUARY

ATLANTA AREA ECONOMIC INDICATORS

ITEM	Feb. 1955	Jan. 1955	Per Cent Change	Feb. 1954	Per Cent Change
EMPLOYMENT					
Job Insurance (Unemployment) Payments	$292,889	$360,544	−18.8	$311,187	−5.9
Job Insurance Claimants†	5,252	5,697	−7.8	6,028	−12.9
Total Non-Agricultural Employment	302,850	301,400*	+0.5	298,050	+1.6
Manufacturing Employment	83,100	81,400*	+2.1	79,900	+4.0
Average Weekly Earnings, Factory Workers	$64.56	$64.56*	0.0	$61.62	+4.8
Average Weekly Hours, Factory Workers	40.1	40.1*	0.0	39.5	+1.5
Number Help Wanted Ads	7,491	8,090	−7.4	5,866	+27.7
CONSTRUCTION					
Number Building Permits City of Atlanta	779	700	+11.3	700	+11.3
Value Building Permits City of Atlanta	$4,671,619	$11,610,951	−59.8	$4,896,349	−4.6
Employees in Contract Construction	17,800	17,450*	+2.0	14,900	+19.5
FINANCIAL					
Bank Debits (Millions)	$1,243.4	$1,330.2	−6.5	$1,180.6	+5.3
Total Deposits (Millions) (Last Wednesday)	$1,016.7	$1,003.1	+1.4	$952.1	+6.8
POSTAL§					
Postal Receipts	$1,330,732	$1,362,782	−2.4	$1,301,894	+2.2
Poundage 2nd Class Mail	1,253,719	1,317,041	−4.8	1,275,733	−1.7
OTHER					
Department Store Sales Index (Adjusted) (1947-49=100)	135	143	−5.6	117	+15.4
Retail Food Price Index (1947-49=100)	110.1	110.2	−0.1	112.5	−2.1
Number Telephones in Service	258,350	256,133	+0.9	244,901	+5.5
Number Local Calls per Day	1,836,119	1,847,447	−0.6	1,739,352	+5.6

*Revised
§City of Atlanta only.

†Claimants include both the unemployed and those with job attachments, but working short hours.

Sources: All data on employment, unemployment, hours, and earnings: Employment Security Agency, Georgia Department of Labor; Number Help Wanted Ads: Atlanta Newspapers, Inc.; Building permits data: Office of the Building Inspector, Atlanta, Georgia; Financial data: Board of Governors, Federal Reserve System; Postal data: Atlanta Post Office; Retail Food Price Index: U. S. Department of Labor; Department Store Sales and Stocks Indexes: Federal Reserve Bank of Atlanta and Board of Governors, Federal Reserve System; Telephones in Service: Southern Bell Telephone and Telegraph Company.

JANUARY THROUGH FEBRUARY, 1954 and 1955

1955	1954	ITEM	Per Cent Change
$16,282,570	$8,313,814	Value Building Permits, City of Atlanta	+95.9
17,625	14,350	No. Construction Employees*	+22.8
15,581	12,695	Number Help Wanted Ads	+22.7
N.A.	N.A.	Department Store Sales ** Based on Dollar Amounts	+15.0
$2,573.6	$2,370.9	Bank Debits (Millions)	+8.5
N.A.	N.A.	Department Store Stocks**	+8.0
$1,016.7	$952.1	Total Deposits (Millions)**	+6.8
258,350	244,901	Telephones in Service**	+5.5
82,250	78,750	No. Manufacturing Employees*	+4.4
$2,693,515	$2,595,975	Postal Receipts, Atlanta Post Office	+3.8
302,125	296,800	Total Non-Agricultural Employment*	+1.8
$64.56	$63.66	Average Weekly Earnings, Factory Workers*	+1.4
1,479	1,462	Number of Building Permits, City of Atlanta	+1.2
40.1	40.2	Average Weekly Hours, Factory Workers	−0.3
110.1	112.5	Retail Food Price Index (February)	−2.1
2,420,962	2,570,760	Poundage 2nd Class Mail, Atlanta Post Office	−5.8
10,949	11,664	Job Insurance Claimants	−6.1

*Average Month
**End of Period
N.A.—Not Available
Sources: Same as Page 4

these units of the plant; communication channels—their forms, adequacy, and barriers; stability with respect to layoff and turnover of personnel; specificity of occupational assignment; workers' perceptions of career-line possibilities and career goals; opportunity to achieve career goals, and the extent to which opportunity is seized (this applies to unit goals, as well); skill level of individuals in given occupations and units; personnel's evaluation of their competence and their general work sophistication; degree of teamwork within work units; sense of urgency felt about meeting production commitments—and sense of importance of product produced; relation between the stated and actual formal organization of the plant and of its several component units; the nature of the technical organization utilized to implement the formal; and institutionalized and more loosely structured work groupings and relationships.

Although it will not be possible to offer a detailed illustration of how these observational criteria are used to describe actual industrial plants, some insight into their use may be gained by taking a rather brief overview of some generalized plant set-ups. For purposes of this overview, let us consider a comparison of three plants[1], all branches of the same company, and all engaged in the manufacture of tires for automobiles. The three plants will be described first in terms of physical environment, second in terms of social environment, and finally in terms of work environment.

Plant One is located in the southeastern part of the country, a few miles from an attractive city whose metropolitan area contains approximately 170,000 people. The city offers many fine restaurants, several theaters, and some night clubs. Its shopping districts are extensive and modern. Excellent churches are found in large numbers to accommodate the predominantly Protestant population.

Plant Two is situated south and east of the first plant, in a city whose metropolitan area contains nearly 1,000,000 people. Swaying palm trees adorn the entrance to the main offices, lending an air of semitropical quietude to the grounds. The city proper and contiguous resort communities offer unlimited recreational facilities, excellent shopping districts, and modern churches.

Plant Three is located in a desert area on the west coast. It adjoins a small city containing about 3,000 people, almost half of whom work in the plant. The nearest city to offer much in the way of recreation, shopping, and other services is 40 miles away. This city contains some 45,000 people. The adjoining city is almost entirely dependent upon the economic support of Plant Three's employees.

It should be noted that Plant One is both the oldest of the three and the only producer of combination tires and tubes. Plant Two specializes in tubeless tires, having recently terminated production of "old fashioned" tire-tube combinations. Plant Three, the newest and most modern of all, manufactures only deluxe, tubeless, blowout-proof tires—the premium product of the company. All three plants employ between 1,500 and 2,000 people.

With respect to social environment, there is obviously a most congenial and friendly atmosphere at Plant One. Among the workers, there is a high degree of participation in recreational activities both during and after working hours. Recreation during working hours takes the form of coffee breaks, during which time employees in the same unit or in neighboring units visit together to gossip and exchange information about the plant's activities and events.

Among the executives, too, there is a noticeably high degree of leisureliness, conviviality, and general ease of communication. During coffee breaks, and cocktail breaks, formal status differences tend to ease off into informal greetings and groupings.

Because the plant has been situated here for many years, it has had (and has utilized) the opportunity to develop good relations with reputable businessmen in the city. Stores, theaters, and other businesses, through discounts and other inducements, encourage personnel from the plant to buy their goods and services.

Whereas the work units in Plant One tend to be spread out over a large area, the work units in Plant Two are compressed into a much smaller space. This physical closeness, while fostering considerable visiting and gossiping across unit lines, actually contributes little to informal relationships out of the plant. At the end of the work period, the employees tend to go their separate ways to various sections of the metropolis in which the plant is located. For this is truly a big-city plant, whose employees are basically aggressive, success-oriented, and worldly people. Upon completing the day's work, they leave the plant for participation in another social world, which largely excludes fellow workers.

The social environment in Plant Three is characterized by rather formal, almost institutionalized, activities in the plant. Terrific pressure for high production from the main office has led to greatly restricted coffee breaks and visitations. However, the smallness of their residential community and the relative absence of commercialized recreation facilities tend to promote informal relationships during after-work hours. Thus, while the small-town atmosphere is restricted during work, it blos-

1 The data used to describe the plants come from our personal observations of industrial organization, and thus do not describe branch plants of any particular tire company.

To simplify the discussion which follows, we have taken the liberty of assuming that workers in the plants belong to the same union, and that the role of the union for purposes of illustration may be considered a constant factor.

soms forth into folksy social participation during much of the remainder of the day.

The work environment at Plant One is decidedly affected by continual and rapid turnover of personnel. Although this is the oldest plant, it has never solved the problem of recruiting personnel from the surrounding area, an area in which industry as a whole is a rather new feature of economic life, and in which industrial sophistication is at a low level.

Coupled with turnover of personnel is the fact that this is the only plant in the entire company that still manufactures tires which require tubes. There seems to be a general feeling among the employees that they have been given a second-rate assignment in the company, an assignment which carries low status, in addition to low priority for materials and equipment, and for skilled personnel. Indeed, the overall pressure to get the work out is quite low.

Thus, in Plant One, there is a collective attitude of futility about the work, a feeling of having been forgotten. Yet, the morale of the workers is surprisingly high, notwithstanding the low pressure for production and the consequent low output. For they have rallied together in the face of their anachronistic situation to seek self-preservation and unit-preservation. As a result, according to their rather laissez faire way of defining and reaching organizational goals, the personnel have achieved a collective adaptation to their otherwise unhappy situation.

In contrast to the situation at Plant One, Plant Two appears to have an abundance of skilled personnel, the executives among whom are fast-moving, whip-cracking, upward-striving leaders. Leadership poses rather small problems in Plant One, since production pressures are low and decisions can often wait. In Plant Two, where the leaders are really "on the make" to look good in the eyes of the central office, the work atmosphere is permeated with intense local pressure to do better and still better work. There are many line-staff problems in Plant Two, mainly because the plant manager has seen fit to combine line and staff offices at top level in the hands of three people. In consequence, decision-making authority of lower-level leaders is often undermined, much to their chagrin.

The general feeling of unrelenting pressure, of being harassed, despite the obvious competence and self-assuredness of personnel, thwarts morale development to the extent that it fails to rise as high as it might in the absence of such pressure.

The work environment in Plant Three might be summarized by the term, "strictly G.I." That is to say, the atmosphere is markedly authoritarian and formal. There is a relative absence of confusion between line and staff positions, which is kept that way by clear lines of authority and communication, and by an underlying sense of urgency to get the work out.

Personnel in Plant Three believe that they are in the company limelight, that they are the elite who have been chosen to race with growing public demand for the premium product they are producing. Occasionally, the workers individually and collectively suffer from misgivings about their ability to live up to the high expectations of the central office—but this is only occasionally. As production steadily rises in their new, modern plant, morale seems also to rise in recognition of improved adjustment to the situation.

The comparative descriptions of plant work environment may be briefly summarized as follows: Plant One is characterized by low status, inferiority feelings, little drive, ,strong esprit de corps, feelings of futility, and yet good morale. Plant Two has high status in the company, upwardly striving individualism, great sense of mission urgency, sophisticated work and social behavior, and fair morale. Plant Three feels extreme importance of production mission, but is apprehensive about achieving it. It is further characterized by strong, driving leaders, and fair morale.

Surely, even through the eyes of the hard-hearted social scientist, a descriptive view of organizational climate, as in the foregoing illustrations, can produce a rather cogent picture which embodies significant features of an industrial plant. From the point of view of the layman, the going gets a bit rougher when the social scientist, acting his scientific best, "ruins" a perfectly good description with esoteric-sounding analysis. It is well to note, however, that the core of any analysis lies in the prior description, and is certainly no better in quality than the quality of the raw information contained in the description. The analytical jargon may appear too high-sounding and even forbidding at first glance, but it really cannot do much harm to sound description—and there is much reason to assert that it helps to unveil basic factors which sheer description alone simply cannot accomplish. Thus, for purposes of this presentation, it will suffice merely to indicate that organizational climate, once described systematically according to the kinds of criteria illustrated above, may be analyzed with a combination of four perspectives. It may be seen as arising from the interrelationships of the type of organization provided, the policies prescribed, the technical control exercised in the execution of these policies, and the organizational objectives.

Need we confess that the preceding illustrations of organizational climate in industry contain a large measure of these analytical perspectives, and not mere description?

A Theory of Organizational Climate

In this final section, we would like to formulate a theory of organizational climate, and suggest how the theory might be of value to industrial administrators.

First, however, it should be kept in mind that organizational climate, like any other social phenomena, cannot be adequately understood unless it be observed at intervals over a substantial period of time. Because people, situations, and social organizations tends to experience continual change, for a multitude of reasons, one cannot hope to determine what the climate is really like unless he learns how, under what circumstances, and in what direction change in organizational climate occurs.

In a manner of speaking, the climate may be more pronounced at certain times than at others, as members of the organization become more self-conscious, or acutely aware, of it at these times than at others. This awareness tends to arise when the members make comparisons of their organization with others during periods of crisis. In the case of industrial plants, an obvious example of such a period is a strike—or industrial strife of any sort.

But the climate is always there, for it is an ordinary phenomenon. In fact, as we have sought to show, it is the most typical phenomenon that can be reported about any group's way of engaging in social (including work) behavior.

Now for a formal statement of the theory: Organizational climate is the configuration of dominant behavioral and attitudinal patterns of work units and their members. It exerts a guiding and directive influence on the members' behavior and attitudes while, at the same time, it reflects them. As such, it both reveals and typifies a social organization.

Some indication of characteristics of the theory may be helpful. First, because of the interrelationship between the climate and the members of an organization, this theoretical conception of organizational climate has dynamic qualities. The theory accounts for the processes of change through time by revealing temporal change in the organization and in the concommitant behavior and attitudes of the members.

Our research experience has shown that the members may be rather consciously, but more intuitively, aware of the existence of the climate. As members of component units of the organization, their awareness of the climate depends upon the character of the unit (e.g., departmental) structure and interaction. The more highly structured their unit, the more "clannish" it is, and thus the more acutely are the members aware of the interaction between "we" and "they" which produces "us." Accordingly, the crystallization of organizational climate, both in and of itself as a collective phenomenon and in the minds of the individual members, varies directly in degree with the structure (hence, the climate) of the units of the organization.

The way in which problems are perceived by the members is related to organizational climate. The perceptions vary from unit to unit w i t h i n the organization, mainly in accordance with unit structure and the consequent patterns of communication afforded by the configuration of unit interrelationships. Thus, variations in problem perceptions are at once a function of organizational climate and an index of it.

Since the climate both reveals and typifies the social (or human) organization of an industrial plant, the suggested theory should enable researchers to determine basic kinds of organizations (this is what the social scientist would call "typologies" of organizations). This determination would be of immense value to administrators at all levels of decision-making and decision-enforcing, for it would provide them with generalized, yet accurately integrated, data for understanding, predicting, and controlling patterns of industrial organization in the plants, or parts of plants, for which they bear primary responsibility.

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